



More Austerity? It's Capitalism, Stupid!

If the boasted recovery meant anything why do our masters talk about austerity lasting for another decade or more? Why does Osborne insist on cutting £19 billion a year more from the welfare budget by 2019? The truth is no recovery is in place. In fact the economists tell us that this is the deepest and longest depression of any since the First World War.

More 'austerity' is coming and all the main political parties are committed to it. All are committed to the idea that health and social services as well as unemployment benefits should be cut further. There is nothing 'fair' about all this. (Tax evasion amounts to ten times benefit fraud but there is no campaign against tax cheats – only 300 people are working on them at HRMC). So when Osborne introduced the vote to cap future welfare payments only 20 out of 650 MPs voted against it. ATOS is giving up but the DWP attacks on welfare will remain. The costs in terms of human misery are incalculable unlike the number of those who have died under WCA (10,500) or those hit by the bedroom tax. Two thirds of the 500,000 tenants who have lost at least 14% of their housing benefit are already in rent arrears according to the National Housing Federation. If this is a recovery then why are household savings down and personal debt still rising to new records? Why are 1 million people having to rely on food banks every week?

Officially unemployment may be falling but this is a statistical trick, a lie. Unemployment is calculated only through those on Jobseekers Allowance plus the one and a half million or so 16-18 year olds who

have no jobs (but are not eligible for JSA). The real figure is nearly three times higher than the official statistics. In any case the figures don't tell you about the misery that accompanies the supposedly brighter picture. There are 1.42 million working in "involuntary part-time work" in the UK. In short, they cannot get a full time job. Of the 1.7 million who have become self employed in the last 5 years 450,000 would rather be wage earners. No surprise here as the BBC reported on Feb 19:

.... several studies have shown, the self-employed have had an even tougher time in recent years with their real wages falling faster than those of employees."

Osborne may boast that there are more jobs than ever before but they are low paid, insecure, part-time, zero hour contracts shit.

Recent ONS reports say that real wages have stopped falling (but put in the bosses' press as "wages are now rising faster than inflation" ... by a massive 0.1%). They conveniently forget that real wages have already fallen about 8% on average since 2008. In short, for the capitalist class the terms of trade for wage labour have never been better. No wonder the stock markets are reaching new highs.

And the ruling class are getting more confident. When capitalism revealed all its dirty linen in the collapse of the speculative bubble which brought down the banks they were extremely nervous. For years financial commentators have been raising the spectre of mass social upheaval and kept wondering when it would break out. It has not – yet. The reasons for this are not hard to see. Austerity

may be nasty but it is no "poll tax" issue. It does not hit everyone at the same time. Instead it viciously selects its victims from amongst the most vulnerable in the working class. Even they are all subject to different attacks from different directions. This, when only 40% of the cuts in store have been brought in.

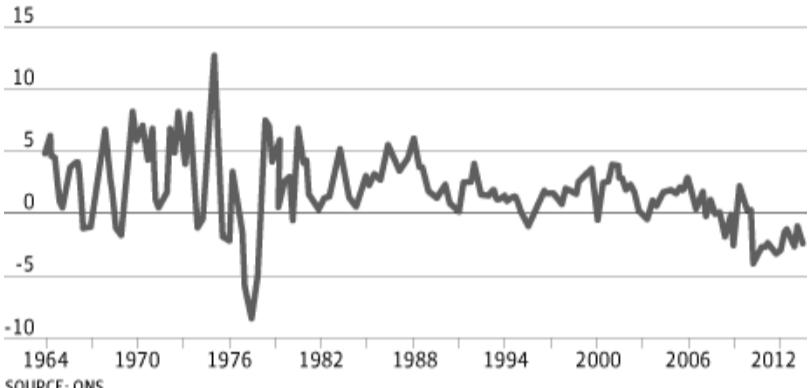
The cuts are being cleverly introduced piecemeal and locally. The obscenity of making the worst off pay for a crisis made worse by rich speculators is too obvious for words. But this is not simply a matter for the unlucky few. Drip by drip these measures are undermining the general standard of living of the whole working class. Fighting them is a matter of dire necessity. As we said in our last issue, *"So we salute all those who are trying to resist cuts, who give support to those under most duress."* But then we added:

"We are promised ten more years of austerity whichever party gets into power. This means we have to think long-term."

This is hard to do when people are suffering today. Those revolutionaries who thought the working class would react immediately back in 2008 were over-optimistic. They were forgetting that social movements do not arise as mechanical cause and effect. Given the retreat of the working class since the 1980s it was too much to expect an immediate concerted response. In fact the capitalist crisis of accumulation has been with us since the 1970s. In the 1970s there was massive workers resistance to falling living standards but by 1977 this had begun to weaken under the cuts of the Callaghan government which tripled unemployment. Since

Real wage growth

Average real weekly earnings, % change on the same quarter a year ago



SOURCE: ONS

the financial crisis they tell us we've had the biggest and longest drop in wages since the 1880s. But, as the table above shows real wages have not just fallen since 2008 but have been falling ever since the post-war boom ended.

an end to the Coalition. This can only mean the return of Labour. And yet the Labour Party has confirmed it will maintain coalition cuts. Labour even have plans to cut more benefits for those whose literacy and numeracy are poor.

For decades we have been on the retreat. This is especially true in the richest capitalist countries where workers found the unions are no weapon at all when it comes to a serious struggle against a system that is fighting to survive. The displacing of jobs to low wage areas has not only led to higher unemployment and precarious working conditions (from temporary to zero hour contracts) but has also undermined the collective capacity of the class to fight back. The fragmentation of the class has only increased the power of the bosses to blackmail and threaten those who try to resist. We are in danger of becoming what the bosses want us to be – plebs, citizens (when they want our votes), and low paid wage slaves. For some activists this is already true and they have lowered their sights accordingly. Against all logic they call not for an end to capitalism but for

Others, like *The People's Assembly* have the equally unrealistic and outworn idea that they can reform capitalism by nationalising services and having a democratically controlled banking system. This is never going to happen. We need to combine the fight against austerity with the fight against the system that spawns it. We need to draw together those workers who see the need for a wider and more long-term struggle into a political movement: a revolutionary political movement which openly aims to get rid of capital, its political set-up and the wage labour system it feeds on. Ultimately this will need to link up with other genuinely anti-capitalist elements all over the world to create an international political party capable of overthrowing the capitalist order on a global scale. It is not an easy road but it is the only road.

May Day Statement of the Internationalist Communist Tendency

Capitalism Means War

The Only Alternative is Class War

Since January this year our rulers have been making a song-and-dance about commemorations for the 100th anniversary of the First World War. Needless to say the imperialist causes of the mass slaughter are less remembered. Instead, there are lamentations over a vague "catastrophe of the century" spun together in a thick web of nationalist myths. By any stretch of the imagination this is no longer just about political history. Meanwhile even bourgeois commentators have begun to point with embarrassment to parallels with the present convulsions of world history. In truth, there are many indications that our rulers' international power poker is once again experiencing a fateful dynamic.

The First World War was the first global contest in capitalism's imperialist stage. It was a war unlike any previously. This war was not merely about adjusting state boundaries. It was a total war, a *guerre a outrance*, a fight to the death between competing imperialist powers determined to annihilate the economic, as well as military, capacity of their rivals. It began on a wave of national euphoria whipped up by the competing imperialist powers to get workers to fight for the fatherland or "king and country". It was to cost the lives of over 20 million people. It would only be ended by the working class revolutions in Russia and Central Europe. Although the international wave of revolutionary uprisings ended the war, regrettably it did

not put an end to capitalism whose bestial appetites were a long way from being satisfied. The Stalinist counter-revolution in Russia, the rise of Fascism and the World economic crisis of 1929 were only steps of the fateful developments which finally fed into the Second World War with its more than 70 million victims. All this should be kept in mind when looking at the events in Eastern Europe, and especially in Ukraine.

Crisis and War

Seldom has anyone been so wrong as the political scientist Francis Fukuyama, who predicted the "end of history" after the collapse of the Eastern Bloc. Far from leading to a new "era of peace and

development" (George Bush senior), the multi-polar world order which arose in 1989 led to a continual sharpening of imperialist conflicts and tensions. Across the world, the pack was re-shuffled, as the urge to win a place in the imperialist power structure opened up. Against this background, the conflict in Ukraine is a significant moment in a long chain of warlike confrontations (Kosovo, the Gulf Wars, Afghanistan, Syria, etc.). Putin's takeover of Crimea is an unmistakeable response to western manoeuvres to take Ukraine into their bloc. In the case of Ukraine we get down to the nitty gritty. It plays a key role in the plans of both Washington and Moscow. For years Russia has assiduously worked to embrace its

former satellite states more closely through trade agreements, as well as trying to create an economic space with its own security and military policies in a so-called Eurasian Union. Due largely to its geo-strategic control of important raw materials and energy routes, Russia would become a formidable counter-weight to the USA and the EU. Of course, in the present confrontation, there is much lamentation over "territorial integrity" and "national self-determination" but it is hard to hide the fact that the Ukraine conflict is primarily a concrete imperialist power struggle, conducted on both sides with increasingly desperate measures. In capitalism's imperialist phase, every demand for *(continued over page)*

Capitalism Means War (continued)

"national rights", no matter under what pretext, what political banner or with what justification, is necessarily part of the inter-imperialist power game.

However, it is not just in Europe that imperialist contradictions collide ever more implacably. Without forgetting the agonies of Afghanistan, Iraq, Syria, South Sudan, Gaza, Mali or the Central African Republic, to name but the most obvious, the fiercest arms race since the end of the Cold War has broken out in Asia. China has increased its arms spending eightfold in the last twenty years but its Pacific (or less pacific?) "neighbours" are trying to keep up. Vietnam, the Philippines, Singapore, South Korea and Japan are all massively increasing arms spending whilst India has overtaken China as the world's largest arms importer, as well as the world's largest builder of warships. The USA, which must defend its claim to hegemony as a military superpower against a growing number of challengers, spent a whopping \$640bn on its defence budget in 2013 alone. This has not, however, prevented the aspiring superpower China from pulling out all the stops to outstrip the USA, especially in the Pacific region. The enmity displayed in the disputes over even the smallest territories, like, for example, the Senkaku/Diaoyu Islands, is evidence of the sharpness of inter-imperialist confrontations in a world where permanent arms build-ups and militarisation are the essential precondition for state sovereignty.

Against All Nationalist Ideology!

On the domestic front, sharpened world competition is reflected in more and more aggressive nationalist propaganda and rhetoric. The idea of the nation always was and continues to be a key ideological prop for all bourgeois domination. It masks the class character of the capitalist system and encourages the idea that the existing conditions are an expression of the common interests of the people. In the name of "national competitiveness" sacrifice is preached, social security is cut and the thumbscrews of exploitation are tightened, while "national security" serves to legitimise the apparatus of surveillance and repression, and the locking up of unwelcome oppositionists. The often invoked defence of "national values" or "national culture" has always been the easy way to reinforce racism and action against anyone who does not conform to the dominant sexual morality.

Reactionary ideologies always feed on social decomposition, atomisation and growing insecurity. From the Front National in France to the Jobbik Party in Hungary the racist right is on the rise, and is searching for votes with a dangerous mixture of racism, anti-Semitism and social demagogic. In Greece, the fascist "Golden Dawn" has become a threat to the very existence of immigrants and, thanks to its supporters in the police and army, it has obtained important positions of power in the state apparatus. However, the fascists do not stand outside the presently constituted nationalist and authority structure of bourgeois society. They are an integral part of it. Nazis embody neither protest nor opposition

against the dominant conditions but, on the contrary, sharpen the content of the ideologies which our rulers spread daily. For this reason, it is nonsense to want to fight the Nazis in order to defend democracy. The notion of the defence of democracy boils down to accepting, spreading and finally succumbing to the myth of the state as a class-neutral entity. Resistance to fascism has to be part of a comprehensive anti-capitalist struggle for the overthrow of all forms of bourgeois domination. This however demands that conditions be seen as a whole.

Crisis and Class Composition

It is now seven years since the speculative bubble burst and threw the world economy into the vortex of recession. But, in defiance of all the prognoses and incantations for a prompt recovery, the crisis has only got worse. The debt mountain grows higher, instability increases and financial speculation is running at full speed. In the meantime, you can happily bet on the next bubble bursting. All this is down to a deep structural crisis of the system, which has been growing for decades (in fact, since the end of the Bretton Woods system in 1973). Capitalism finds itself at the end of an accumulation cycle, from which, in the end, it can only escape through a massive devaluation of capital. In capitalism's early days, a few failures and bankruptcies would suffice. The successful capitalists bought up the losers at bargain prices and the system could start again. Today, however, despite the restructuring of the 1980s, the mass of capital in the world is so great that only a massive devaluation of capital can fire up accumulation again and lead the system out of crisis. Such a devaluation would demand such a massive annihilation of capital that it could only be effected by the physical destruction of a global war. Even if the political and diplomatic pre-conditions for such a war do not yet exist today, the danger is virulent and grows daily. In the face of this challenge the working class finds itself on an almost hopeless seeming defensive. For decades, capital has banked on compensating for its falling profit rate through comprehensive restructuring of the production process (e.g., through the introduction of microelectronics) and the massive increase in the rate of exploitation. Jobs are shifted to low-wage countries, where people toil in sweatshops for starvation wages, while workers in the traditional centres of capitalism are forced to swallow wage cuts and worsened working conditions.

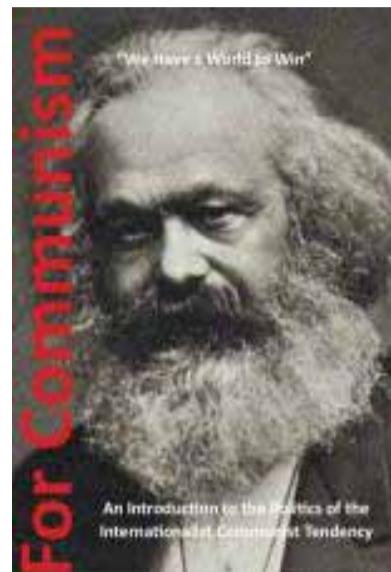
Across the world, there is a merciless competition to push down wages using methods of exploitation which remind one of the 19th century. Temporary part-time jobs with so-called "zero-hour" contracts (which, for example, affect over a million people in Britain, who have to be at the bosses' disposal around the clock for any type of work), mini-jobs and fake self-employment are just a few examples of the creativity used to enslave the working class to capital.

The working class has clearly suffered a loss in its degree of organisation and unity. The manifold fragmentation and lines of division alongside the spread of precarious conditions of employment

place great challenges to the development of collective defence.

Autonomous Class Struggle!

But this is not just about structures. On the contrary the revival of an effective working class fightback is about a political understanding of the struggle's aims and perspectives. We will only be able to resist austerity if we understand all resistance to the ruling class's attacks on our living conditions is part of our worldwide struggle. This requires the clear rejection of all nationalist ideologies and every attempt to subordinate our class's concerns



to any fraction of the bourgeoisie. At the same time, it is necessary to understand that even those victories we achieve will only be temporary. It is becoming ever more obvious that humanity only has a future if there is a change in the mode of production. The sole solution is a society in which money, exploitation and profit have been eliminated and in which production stands in harmony with humanity and the environment, a society in which production is for the satisfaction of human needs and not for profit. By this we mean communism!

Such a social alternative will not take shape by itself. It can only be fought for by a social movement consciously doing away with relations of domination. There is a long road in front of us. Nevertheless, those who have understood the need for a new society must take the first steps in order to unite themselves as communist minorities in an international and internationalist organisation. Such a communist organisation is not a government in waiting, but an indispensable instrument to give the struggle for a new society a clear political perspective. This struggle will have to be fought everywhere the working class challenges capitalism. But it is not just a question of simply fighting this or that aspect of capitalism, but, on the contrary, fighting the system as a whole. The contradictions of capitalism will not disappear. They lead to increasing inequality, exploitation, murderous wars and the destruction of the environment.

It will not be easy to free the planet from this plague. But everyone who joins the struggle for a new internationalist class organisation brings us a step closer to our aim: An "association of the free and equal" in which "the free development of each is the condition for the free development of all".

For a classless and stateless society!

What We Stand For

The Communist Workers' Organisation is the British affiliate of the Internationalist Communist Tendency (formerly the IBRP). Our Italian sister group, the Internationalist Communist Party, was formed in 1943 as the only organisation to oppose all sides in the Second World War in the name of working class autonomy. Today we have groups of comrades in several countries round the world.

We stand for a global society in which production is for need and not profit (and is therefore sustainable), where the state, national frontiers and money have been abolished, where power is exercised through class-wide organisations like workers councils. It is a society which can only be created through the activity of millions of human beings. Only such a society can rid us of the capitalist offspring of poverty, hunger, oppression and war: We call it communism but it has nothing in common with the Stalinist state capitalism of the old USSR.

The Wages System - Heart of Global Capitalism's Contradictions

It may surprise the million or so people in Britain who work for the minimum wage (set to go up by 19p to £6.50 per hour in October) that they are considered part of the world's richest 10 per cent! Yes, according to the latest report from the World Bank anyone who has an income of more than \$10 (about £5.95) a day belongs in the same bracket as Bill Gates, Carlos Slim, Warren Buffett, George Soros, and Ramon Abramovich etc.

The World Bank and Development

Despite talk of how capitalism has lifted "millions" out of poverty in the 'emerging' states where the majority of the world's people live, the standard of living of most wage workers in China, India, and so on lags far behind their counterparts in the 'advanced' capitalist heartlands. Like all officialese, the picture of the millions who have benefited from the profit-making ventures of rampant globalised capitalism is painted according to formulas provided by the 'target setters' themselves. Thus, we are told that the World Bank's 'Millennium Development Goal target' — of cutting the 1990 poverty rate in half by 2015 — has already been reached. Instead of 1.91 billion people living on less than \$1.25 a day in 1990, in 2010 there were 'only' 1.22 billion doing so! Almost impossible to imagine. As is the World Bank's next encouraging statistic: Adjusting for inflation and purchasing power, the share of those living below \$2 per day has dropped markedly since 1981, from 70 per cent of those living in developing countries to ... a mere 40 per cent or 2.4 billion people. At this rate (roughly 10 per cent a year) nobody would be existing on less than \$2 a day by 2050. No doubt some would call this progress when in fact capitalism remains indicted for condemning the majority of human beings to unnecessary poverty in a world of vast material wealth. Answering similar boasts of capitalist success (by Gladstone) in the nineteenth century Marx replied in *Capital*:

If the working class has remained 'poor' only 'less poor' as it produces for the wealthy an 'intoxicating augmentation in wealth and power', then it has remained relatively just as poor. If the extremes of poverty have not lessened they have increased, because the extremes of wealth have.

Rising Inequality

And all reports suggest that "the extremes of wealth" are now greater than ever (even greater than in Roman slave society some suggest) and are increasing. The richest 1% of the world's population control half the world's wealth and since the banking collapse of 2008 90% of all wealth gains in the US have gone to the richest 10%.

But even the World Bank's 'happy' scenario is not going to happen. World capitalism's crisis — or as the World Bank prefers — "slowdown in growth", is not going away. Any "recovery" has been a recovery for the rich. Millions who have only recently been lifted out of (official) poverty are (unfortunately) due to slip back into it. Many of the 2.8 billion people who currently exist on between \$2 and \$10 per day are likely to fall back into (official) poverty. Particularly vulnerable are the 1.5 billion people who manage to survive on between \$2-\$4 per day.

And getting back to the minimum wage, in the UK even the ruling class are worried. Chancellor of the Exchequer George Osborne has tentatively called for a rise in the minimum wage to £7.00 an hour by 2015 (the OECD says that anything below £7.71 an hour today is a poverty wage). The Chancellor has not had a humanitarian conversion. He is worried that consumer spending will not rise enough to maintain even the feeble recovery they claim is happening. But this is a central contradiction of capitalism. The workers who create the commodities cannot buy them since profitable production requires lower wages. As Marx also noted "the last cause of all real crises lies in the poverty and restricted consumption of the masses".

The Poverty of Reformism

And here we see the poverty of reformism. The Unite union have demanded that Labour adopt a "radical" new measure — a £1.50 increase in the minimum wage (after the 2015 election). At around £8.00 an hour even this would be below the OECD definition of a poverty wage by then. Under capitalism there is no such thing as a "fair day's pay for a fair day's work". If that happened the system would collapse. As Marx described it

the more productive capital grows ... the more does competition extend among the workers, the more do their wages shrink together. Thus the forest of outstretched arms, begging for work, grows ever thicker, while the arms themselves grow every leaner.

The only solution for workers everywhere is not an auction over how little they can get away with paying us — it is the abolition of the wages system altogether.

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